

09-306 Medical Vendor Payments

Agency Amendment

The total funding for 09-306 Medical Vendor Payments includes \$274 million of Federal Funds. These are pure Federal Funds with no accompanying state match. This amount was placed in the Fiscal Year 2003-2004 recommendations from possible collections.

The Center on Budget and Policy Priorities (a nonpartisan research organization and policy institute that conducts research and analysis on a range of government policies and programs, with an emphasis on those affecting low and moderate-income people) states in their February 12, 2003, report, "Today, states face their worst budget shortfalls since World War II. Many are currently being forced to make cuts in their Medicaid programs. Several bipartisan bills in both the House of Representatives and the Senate have been introduced supporting the notion of temporary state fiscal relief. For example, bipartisan proposals offered in the House and Senate would increase federal Medicaid matching funds by \$10 billion this fiscal year -- as compared to \$3.25 billion in the FY 2004 in the Administration's proposal -- and would thereby begin to immediately lower states' expenditures by that amount. None of these proposals require a repayment. Moreover, none of these genuine fiscal relief proposals require states to make permanent changes in the structure of their Medicaid programs that last for years and years after the fiscal relief ends." Taking a conservative approach, Louisiana stands to collect \$74 million as its share of the \$3.25 billion offering.

An amount of some \$200 million of untapped federal money can possibly be collected utilizing the services of consultants who are experts in the field of maximizing federal reimbursements to states.

During the 2003 Legislative session, the administration will introduce an amendment to move this \$274 million of funding to the Supplementary Recommendation portion of the Appropriation Bill (HB-1).

09-306 Medical Vendor Payments

Agency Description

The mission of Medical Vendor Payments (MVP) is to respond to the health needs of Louisiana's citizens by developing, implementing, and enforcing administrative and programmatic policy with respect to eligibility, licensure, reimbursement and monitoring of health care services in the state, in concurrence with federal and/or state laws and regulations. Agency 09-306 Medical Vendor Payments and Agency 09-305 Medical Vendor Administration constitute the Bureau of Health Services Financing (BHSF). The Bureau of Health Services Financing falls within the Department of Health and Hospitals which is the single Medicaid agency for the state of Louisiana. BHSF exists to provide innovative, cost effective and quality health care to Medicaid recipients and Louisiana citizens. It provides medically necessary services in the most appropriate setting and at the most appropriate level of care, while honoring choice.

The goals of Medical Vendor Payments are:

1. To improve health outcomes by emphasizing primary care and reducing the number of uninsured persons in Louisiana.
2. To expand existing and to develop additional community-based services as an alternative to institutional care.
3. To ensure cost effectiveness in the delivery of health care services by using efficient management practices and maximizing revenue opportunities.
4. To assure the integrity and accountability of the health care delivery system in an effort to promote the health and safety of Louisiana citizens.
5. To implement measures that will constrain the growth in Medicaid expenditures while improving services and to secure alternative sources of funding for health care in Louisiana.

Medical Vendor Payments Program includes the following programs: Payments to Private Providers, Payments to Public Providers, Medicare Buy-Ins and Supplements, Uncompensated Care Costs Payments, and an Auxiliary Account to identify the amount of statutory dedications in the Medical Trust Fund for the Elderly (Nursing Home intergovernmental transfers).

The Medical Vendor Payments Program uses Tobacco Settlement Funds as a means of finance. These funds are used in the Department of Health and Hospitals to partially cover the cost of providing medically necessary services to Medicaid eligible recipients. Major activities include inpatient and outpatient hospital services, ICF/MR facilities and Nursing Homes. Appropriations from the Louisiana Fund and the Health Excellence Fund represent approximately 0.5% of the appropriation for Payments to Private Providers.

AGENCY BUDGET SUMMARY

	ACTUAL 2001-2002	ACT 13 2002-2003	EXISTING 2002-2003	CONTINUATION 2003-2004	RECOMMENDED 2003-2004	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$907,472,830	\$864,919,193	\$867,711,206	\$1,043,276,344	\$582,801,570	(\$284,909,636)
STATE GENERAL FUND BY:						
Interagency Transfers	4,892,622	20,153,765	20,153,765	3,449,967	323,387,533	303,233,768
Fees & Self-gen. Revenues	62,505,883	13,500,000	13,500,000	5,000,000	30,707,024	17,207,024
Statutory Dedications	415,571,975	311,639,620	312,997,919	121,695,962	210,695,897	(102,302,022)
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	3,407,357,193	3,154,601,875	3,156,700,846	3,030,463,910	3,390,761,094	234,060,248
TOTAL MEANS OF FINANCING	\$4,797,800,503	\$4,364,814,453	\$4,371,063,736	\$4,203,886,183	\$4,538,353,118	\$167,289,382
EXPENDITURES & REQUEST:						
Payments to Private Providers	\$2,756,714,098	\$2,863,791,274	\$2,871,767,076	\$2,889,945,916	\$3,278,382,496	\$406,615,420
Payments to Public Providers	392,604,599	401,049,281	399,322,762	450,488,747	349,382,240	(49,940,522)
Medicare Buy-Ins & Supplements	92,245,813	94,495,821	94,495,821	101,951,270	120,114,503	25,618,682
Uncompensated Care Costs	834,867,713	811,730,242	811,730,242	754,501,510	783,475,139	(28,255,103)
Auxiliary Account	721,368,280	193,747,835	193,747,835	6,998,740	6,998,740	(186,749,095)
TOTAL EXPENDITURES AND REQUEST	\$4,797,800,503	\$4,364,814,453	\$4,371,063,736	\$4,203,886,183	\$4,538,353,118	\$167,289,382
AUTHORIZED FULL-TIME EQUIVALENTS: Classified	0	0	0	0	0	0
Unclassified	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0